



# IMMIGRATION POLICY CENTER

*...providing factual information about immigration and immigrants in America*

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## **Dreams Deferred: The Costs of Ignoring Undocumented Students**

The political debate over undocumented immigrants in the United States has largely ignored the plight of undocumented children who, for the most part, have grown up and received much of their primary and secondary education in this country. As a forthcoming report from the Immigration Policy Center makes clear, without a means to legalize their status, these children are seldom able to go on to college, cannot work legally in the United States, and therefore cannot put their educations to good use. This wasted talent imposes financial and emotional costs not only on undocumented students themselves, but on the U.S. economy and U.S. society as a whole. Below are excerpts from the soon to be released report.

### **Undocumented School-Age Kids: How Many? Who Are They?**

- Children account for 1.8 million (or 15 percent) of the roughly 12 million undocumented immigrants now living in the United States.<sup>1</sup> Of these undocumented children, roughly 65,000 who have lived in the United States for five years or longer graduate from high school each year.<sup>2</sup>
- These children, born abroad yet brought at an early age to live in the United States by their parents, have some association with their countries of origin, but their primary identification is with the United States. Many of them have been in this country nearly their entire lives and have attended most of their K-12 education here.
- These children are honor roll students, class presidents, valedictorians, and aspiring teachers, engineers, and doctors. Nevertheless, because of the numerous legal and financial obstacles confronting undocumented students, many are unable to apply to college. It is estimated that only between 5 and 10 percent of undocumented high school graduates go on to college.<sup>3</sup>

### **Access to Higher Education: Wages Increase and the Tax Base Deepens**

- The economic advantages of a higher education for both workers and the economy are clear. According to the Bureau of Labor Statistics, workers who lacked a high-school diploma in 2006 earned an average of only \$419 per week and had an unemployment rate of 6.8 percent. In contrast, workers with a bachelor's degree earned \$962 per week and had an unemployment rate of 2.3 percent, while those with a doctorate earned \$1,441 and had an unemployment rate of only 1.4 percent.<sup>4</sup>
- Studies of undocumented immigrants who legalized their status through the Immigration Reform and Control Act (IRCA) of 1986 reveal that legal status brings fiscal, economic, and labor-market benefits to individual immigrants, their families, and U.S. society in general.<sup>5</sup> The U.S. Department of Labor found that the wages of those immigrants who received legal status under IRCA had increased by roughly 15 percent five years later.<sup>6</sup> Given a chance, now-undocumented students will improve their education, get better jobs, and pay more in taxes.

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- A 1999 RAND study found that, although raising the Hispanic college graduation rate to the same level as that of non-Hispanic whites would increase spending on public education, *these costs would be more than offset by savings in public health and welfare expenditures and increased tax revenues resulting from higher incomes.*
  - For instance, a 30-year old Mexican immigrant woman with a college degree will pay \$5,300 more in taxes and cost \$3,900 less in government expenses each year compared to a high-school dropout with similar characteristics.<sup>7</sup>

### **Experience Shows That Access to Higher Education Helps Kids Without Burdening Institutions of Higher Learning**

- Ten states—Texas, California, Utah, Washington, New York, Oklahoma, Illinois, Kansas, New Mexico, and Nebraska—have passed laws permitting undocumented students to qualify for in-state tuition if they attended and graduated from high school in the state. In addition, New Mexico and Texas allow undocumented students to compete for financial aid.
  - The experience of these states reveals that the number of undocumented students is far too small to deprive native-born students of college admission slots or financial aid. For instance, three years after Texas allowed undocumented students to qualify for in-state tuition rates, the total number of students paying in-state tuition to the state's colleges and universities amounted to only 0.36 percent of all students in the Texas public education system.<sup>8</sup>

<sup>1</sup> Jeffrey S. Passel *The Size and Characteristics of the Unauthorized Migrant Population in the U.S. Estimates Based on the March 2005 Current Population Survey*. Washington, DC: Pew Hispanic Center, March 7, 2006.

<sup>2</sup> Jeffrey S. Passel, *Further Demographic Information Relating to the DREAM Act*. Washington, DC: The Urban Institute, October 21, 2003.

<sup>3</sup> *ibid.*

<sup>4</sup> Bureau of Labor Statistics, *Spotlight on Statistics: Back to School*, August 2007 ([http://www.bls.gov/spotlight/2007/back\\_to\\_school/](http://www.bls.gov/spotlight/2007/back_to_school/))

<sup>5</sup> Mary G. Powers, Ellen Percy Kraly & William Seltzer, "IRCA: Lessons of the Last U.S. Legalization program," *Migration Information Source*, July 2004.

<sup>6</sup> Shirley Smith, Roger G. Kramer & Audrey Singer, *Effects of the Immigration Reform and Control Act: Characteristics and Labor Market Behavior of the Legalized Population Five Years Following Legalization*. Washington, DC: Bureau of International Labor Affairs, U.S. Department of Labor, May 1996.

<sup>7</sup> Georges Vernez, Richard A. Krop & C. Peter Rydell, *Closing the Education Gap: Benefits and Costs*. Santa Monica, CA: RAND Education, 1999.

<sup>8</sup> Carole Keeton Strayhorn, *Undocumented Immigrants in Texas: A Financial Analysis of the Impact to the State Budget and Economy*, Special Report of the Texas Comptroller, December 2006, p. 5.